



March 1999

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**HARD WORKING BOARD OF TRUSTEES
KEEPS ISTRF ON TRACK**

PAGE 1

- [Hard Working Board of Trustees Keeps ISTRF on Track](#)

At a recent meeting, the members of the ISTRF Board of Trustees were hard at work digesting complex information and making difficult decisions. It became quite apparent that the Fund is an important client, when a team of high level managers from Bank One and First Chicago/NBD discussed their impending merger. They were on hand to assure the Board that the level of services provided to ISTRF would be enhanced, rather than diminished by any resulting changes. Board members asked detailed and thoughtful questions, making it apparent that they were knowledgeable about the relationship between the Fund and the banks and concerned about the impact of the merger.

PAGE 2

- [Governor O'Bannon Views Educational Issues as Top Priority](#)
- [Returns on New Annuity Savings Account Investment Options](#)
- [Members Taking Advantage of New Annuity Savings Account Investment Option](#)

Craig Penwell, representing Molloy and Associates (the firm that negotiates with insurance companies for health insurance for retired TRF members who are Medicare eligible) reported on the current bids received from insurance companies. He presented a variety of available plan options. Board members discussed those options in significant detail, providing important guidance before giving approval to the onset of contract negotiations. The results of those negotiations will be provided to them at a future meeting. The Board will then approve those options that they feel best meet the needs of members, while protecting the financial stability of the Fund. Art Fenton, of Callan Associates reported on the progress of the managers of the newly established stock funds. Callan Associates is a consulting firm that has been working with the Fund on the development of the stock funds. They have provided assistance with everything from creation of new policies to the formation of the funds and hiring of the fund managers.

PAGE 3

- [Videoconferences for ISTRF Members](#)
- [New Investment Options Booklet](#)

PAGE 4

In addition to Dr. Pettersen, a number of key staff members attend Board meetings, providing them with essential information that is needed for the wide variety of important decisions that they are called upon to make

07/18/2007 10:15:00 AM EDT

March 1999

**Teachers' Retirement Fund
Phone Numbers**

**You can find out
about the following at
our main number.....(317) 232-3860**
Benefit Check Deduction, Benefit Check
Health Insurance Deductions, Counseling,
Death Reports, Direct Deposit,
Lost Checks, Service Credit and
Withdrawals.
Other Services:
Investments.....232-3868
School Reports.....233-0911
TDD/TTY.....233-3306
Director's Office.....232-3869
FAX Number.....232-3882
Visit our site on the World
Wide Web at..<http://www.state.in.us/trf>

**Attention: OUR COMPUTERS ARE READY FOR THE YEAR 2000.
CHECKS WILL CONTINUE TO ARRIVE ON TIME**

March 1999

New Computer System Update



For the last four years, the ISTRF staff has been working toward the purchase and installation of a new computer system. The agency recently received the approval to move ahead with the contracts to put the new system into place. This is a joint project with the Public Employees' Retirement Fund (PERF). Having both agencies use the new system will improve services to their members and will be particularly helpful to those persons who are members of both funds.

Because PERF and TRF operate under similar laws, this project will save the two agencies approximately six to eight million dollars. It is anticipated that the project will commence within the next few months. When the new system is in place, the Teachers' Retirement Fund will be able to accomplish the following:

- Get first checks to new retirees within a month of their date of retirement.

07/18/2007 10:14:30 AM EDT

March 1999

Total Service Focus Leads to Dramatic Improvement

In June of 1996, ISTRF Director Dr. Mary Pettersen created a "Customer Service Center" to assist members on a daily basis. The Manager of Administration worked with Dr. Pettersen to form a special staff from existing areas within the agency. The goal was to ensure that members would be interacting with experienced staff. Five or six people now answer the phones. Each of those individuals has other responsibilities, which they tend to when time permits. In 1997, the new system was improved through the addition of an Automatic Call Distribution (ACD) system. This allows the Director and Manager of Administration to monitor the Center for its effectiveness. In August of 1998, a review of the total number of member service calls received monthly was commenced.

We are pleased to announce the results for the last five months:

- There was an average of 962 calls per month.

Federal Government Kicks off the International Year of Older Persons,

1999

HHS Secretary Donna E. Shalala launched the Federal government's official acknowledgement of 1999, the International Year of Older Persons. The International Year of Older Persons, with its theme, "Towards a Society for All Ages" was designated by the United Nations General Assembly in 1992 to highlight the challenges and opportunities of a rapidly aging global population. In a message delivered from President Clinton to the United Nations on October 1, 1998 the first official day of the International Year, he said, "Longevity is one of the great achievements of the 20th Century. Thanks to remarkable advances in health care and research, life spans are increasing around the world, and the world's older population is expected to approach 1.2 billion by the year 2025."

Speaking before a gathering of Cabinet representatives, international delegates and senior advocates in Washington, D.C., Secretary Shalala said, "In the Year 2000, older people will outnumber children for the first time in our history.....the good news is that the millennium promises to be a golden age for older people. We've completely changed what it means to "act your age.". Over 30 federal government departments and agencies, coordinated by the Administration on Aging and chaired by Assistant Secretary Jeanette C. Takamura, have joined together to plan government-wide activities throughout 1999 to discuss common issues that will affect aging populations of this country in the next century, and to collect and share best practices among other nations of the world.

During the International Year, the Federal Committee is planning several key events including a government-wide conference in June 1999 focusing on the implications of longevity and active aging on federal programs, services and policy areas, as well as developing an aging agenda for the 21st Century. The Federal Committee is also working with public and private sector organizations, including the Brookdale Center on Aging-based U.S. Committee to Celebrate the International Year of Older Persons. Many federal agencies are also planning specific initiatives that will

March 1999

Quarterly Statements

Every effort is being made to make the new *Quarterly Statements* easy to understand and to ensure that they contain all of the information that members need. It is also the goal of TRF to work toward having the *Statement* in your mailboxes by the beginning of the second month of each quarter.

You are eligible to reallocate your investment options twelve months after you make the initial change. Your *Request to Allocate Annuity Savings Account Form* will become effective when received. If you send a form when you are not yet eligible, the information will be kept in the computer and will take effect when you do become eligible to make a change. The latest form received will always be the one used. The form must be:

Received by TRF no later than	To be effective
November 30th	January 1st
February 28th	April 1st
May 31st	July 1st
August 31st	October 1st

Primer Lite

Jokes from the Internet:

A little girl came home from school and said to her mother, "Mommy, today in school I was punished for something that I didn't do."

The mother exclaimed, "But that's terrible! I'm going to have a talk with your teacher about this ... by the way, what was it that you didn't do?"

The little girl replied, "Ma-

WELCOME



The Indiana State Teachers' Retirement fund has a new General Counsel! Craig Mortell is already hard at work meeting the legal needs of the Fund and we thought that you would enjoy getting to know him.

Craig suffered through lots of severe winters when he was young. He was born in North Dakota, but grew up in Minnesota. He received an undergraduate degree from St. John's University in Colledgeville, Minnesota. Fortunately for us he moved to Indiana when he went on to complete a law degree at Notre Dame.

Craig is not new to Indiana Government. He spent the last seventeen years as an attorney for the Indiana General Assembly, where he drafted legislation and acted as a staff counsel to a variety of committees. At ISTRF, Craig works with any contracts that the Fund enters into with outside parties and deals with the application and interpretation of the law as it relates to day to day operations, including any pertinent legislation.

Craig sees significant differences between his previous position and the work he is currently doing for ISTRF. He stated "In my work with the General Assembly, I dealt with legislation in a sort of abstract way, without seeing first hand how that legislation affected individuals and organizations. As the attorney for the Retirement Fund, I get to apply the law in a real world setting, doing my best every day to protect the interests of the Fund and its members. It's an interesting and enjoyable transition".

When asked about his interests outside of work, Craig made it clear that his "favorite pastime" is relaxing with his wife and three children. He also loves lots of outdoor activities, like fishing and camping and if you were to look over his shoulder while he was enjoying a book, the titles would probably relate to history or fiction written by American authors.

07/18/2007 10:13:35 AM EDT

March 1999

Videoconferences for ISTRF Members

Thanks to grant money from Ameritech and the organization administering those funds (Corporation for Educational Communications), Indiana schools have been provided with the opportunity to create their own videoconference centers. Schools are eligible to apply to the CEC for the



equipment grants. Once equipped and trained (by Video Images, Inc.), each participating school/organization becomes a part of the statewide Vision Athena Network. The fiber optic network used by Vision Athena was designed by and is owned by Ameritech and each school pays for their hookup to the network on a monthly basis.

Many schools have already taken advantage of the technology and the training. The rapidly growing Vision Athena Network has provided ISTRF with an unprecedented opportunity to provide its members and their school corporations with current information in an interactive environment. TRF staff members will continue to travel the state providing Retirement and *Annuity Savings Account* Investment workshops. However, the availability of staff and weather conditions can interfere with our ability to use such events to meet the needs of our members. Through videoconferencing, persons at several different locations can take part in an event simultaneously, with participants at each location having the opportunity to ask questions of TRF staff.

Dan Bates, at the Northern Indiana Educational Services Center in Mishawaka, helped us set up a trial run in November of 1998. Dan coordinated the event in northern Indiana, where the conference was offered at three separate sites. Meanwhile, *Primer* Editor, Naomi Tropp coordinated the Indianapolis action, with both TRF and PERF staff members acting as presenters and CEC staff handling the technicalities. Dr. Mary Pettersen, Director and Tom Abbett, Chief Accountant represented TRF and Mark Webb, Deputy Director and General Counsel and Karen Vise, Retirement Team Leader represented PERF.

The premiere videoconference was a resounding success! The presenters agreed that they had ample opportunity to provide the information that they had hoped to offer to the school corporation representatives. The participants stated that they had plenty of time to ask questions. The pictures and sound were clear. Everyone agreed that the event met the needs of all concerned. Recently, ISTRF director Dr. Mary Pettersen and Chief Accountant Tom Abbett, participated in a second videoconference. It was an opportunity to present retirement information to a group in Highland. Once again, it was a positive experience

March 1999

**RETURNS ON
NEW
ANNUITY
SAVINGS
ACCOUNT
INVESTMENT
OPTIONS**

We now have the returns for the last quarter of 1998, the first quarter that members invested in the new funds. Please remember that these returns reflect only three months out of one year. Both stock and bond markets fluctuate and the same funds might show very different returns for another period of time. Because of the fluctuations, the results of one quarter would not be particularly useful in making investment decisions.

ISTRF Annuity Savings Account Options Returns for the quarter ending 12/31/98

Option	Return
S & P 500 Index	21.23%
Small Cap	22.31%
International	22.91%
Bond	2.13%

Members Taking Advantage of New Annuity Savings



Governor O'Bannon Views Educational Issues As Top Priority

Governor O'Bannon recently stated that he is often asked if he wants to be known as the "Education Governor". His reply to this question is that

"Every Indiana governor is an "Education Governor" in that education is important to every aspect of life in our state. That importance is reflected in the fact that over 50% of the state's budget is dedicated to its school systems. In fact, education is the key to our future, both individually and collectively.

"With this in mind, I conducted education forums in 15 different Indiana communities during the summer and fall of 1998. I visited schools and met with teachers, parents, students and business leaders. The days usually ended with open discussions about education in Indiana. The ideas that I collected during these events are invaluable, as we owe it to our children and grandchildren to give them the opportunities necessary to succeed professionally and to build a strong foundation for lifelong learning. I have also been working with State Superintendent for Public Instruction, Dr. Suellen Reed, in organizing an ongoing education roundtable that examines a wide range of issues that will have an impact on the future of our system of education. The outcomes of both the forums and the roundtables, along with a continued review of research data and other new information, have helped me to formulate my education initiatives to present to the General Assembly."

The governor also discussed the importance of the Pension Stabilization Fund, which helps to secure the future of the Teachers' Retirement Fund and reduces the financial burden to all Indiana taxpayers. He stated, "Teachers are essential to a high quality education system. If we want to continue to attract good teachers, they need to know that, after many years of hard work